

Prime-Ex Perpetual Terms & Conditions

1. Introduction

This document and any other documents relating to and or issued by Prime-Ex, S.A. (“**Prime-Ex**” or “**Prime-Ex Perpetual**”) do not constitute a prospectus of any sort and are not a solicitation for investment. A Prime-Ex utility token (“**PEXT Utility Token**” or “**PEXT**”) does not represent an ownership or share in any public or private corporation, or other entity in any jurisdiction. PEXT are only to be used in accordance with these Terms and Conditions and do not entitle any member to any additional rights or profits. Any acquisition and use of PEXT carries significant financial risk, including the use of experimental software. Further risk warnings and disclaimers are set out at sections 9 and 12 below.

- 1.1. These **Terms & Conditions** (the “**Terms**”) govern: (i) the use of the websites <https://www.prime-ex-com> the only official and authorized website for Prime-Ex Perpetual; (ii) holding and use of PEXT; and (iii) the general sale and purchase of PEXT.
- 1.2. These Terms constitute a special purpose contract made exclusively between the holders of PEXT and Prime-Ex. It does not constitute a contract with any other Prime-Ex entity or any future subsidiary of Prime-Ex (all together the “**Prime-Ex Group**”) or any third party.
- 1.3. No member of the Prime-Ex Group is a financial institution and they do not provide investment services, including investment advice, or any other licensed financial services.
- 1.4. The monies raised by the sale of PEXT will be invested by Prime-Ex in real estate projects in the Republic of Panama and for the purposes of developing residential homes (whether personally or through third party developers) and providing financing to individual buyers at competitive rates of interest.
- 1.5. Prospective members should not purchase PEXT if there are applicable legal restrictions in their country of residence. It is the responsibility of each member to know these laws regarding their participation in the Prime-Ex Real Estate Ecosystem.
- 1.6. The first PEXT were sold by way of a pre-launch ICO that took place between 18 September 2017 and 14 November 2017 and an ICO that took place between 15 November 2017 and 30 November 2017 (the “**ICO**”).
- 1.7. On 15 July 2018, following consultation with the PEXT holders, it was decided to convert PEXT to a utility token.

2. Prime-Ex Real Estate Ecosystem

- 2.1. Prime-Ex and the PEXT are built on the Ethereum-based open source ERC20 blockchain, the smart contract identifier for PEXT is 0x55c2a0c171d920843560594de3d6eccc09efc098. PEXT is compatible with any ERC20 wallet and has the same characteristics and technological functionality as any other ERC20 token. It is our understanding that ERC20-based tokens are a popular choice for emerging crypto currency token platforms.
- 2.2. A preliminary outline of the Prime-Ex real estate ecosystem and the proposed project is provided for in the white paper published on the website (the “**White Paper**”). The contents of the White Paper are not legally binding and are subject to change in line with the ongoing development of the Prime-Ex Perpetual real estate

ecosystem and the project. The White Paper is provided for information purposes only.

- 2.3. PEXT is the native crypto currency of the Prime-Ex real estate ecosystem, and shall be used by its community to purchase certain products and services made available and developed by Prime-Ex. Service providers to the Prime-Ex Group delivering qualifying work may be paid in PEXT, USD or a mix of both in accordance with their respective service agreements.
- 2.4. The holders of PEXT shall be entitled to use their PEXT to purchase properties which are being built by Prime-Ex.
- 2.5. PEXT is freely transferrable.
- 2.6. Prime-Ex grants you access to the website and the Community Portal as it may exist and be available on any given day and has no other obligations, except as expressly stated in these Terms.
- 2.7. Prime-Ex has the right to modify, replace, refuse access to, suspend, or discontinue the website and the Community Portal partially or entirely.
- 2.8. Prime-Ex reserves the right to withhold, remove or discard any content available as part of your Community Portal account or website or withhold services, with or without notice.
- 2.9. The sole shareholder of Prime-Ex is the Prime-Ex Foundation (the “**Foundation**”). PEXT holders are not entitled to any profits generated by the project and will not be able to receive any distributions/dividends from Prime Ex S.A. The Foundation will be responsible to vote on and be responsible for authorising the Directors of Prime-Ex for the efficient running and administration of Prime-Ex.
- 2.10. Prime-Ex is a Panamanian company and the current directors (the “**Directors**”) are:
 - (i) Ulrich Schwark;
 - (ii) John Gilbert; and
 - (iii) Theresa Schwark.

3. **Types of tokens and token rights**

- 3.1. By way of these Terms only one type of token will be created and issued - PEXT.
- 3.2. **PEXT**
 - (i) May be used by its community to purchase certain products and services made available and developed by Prime-Ex.
 - (ii) May be bought and sold;
 - (iii) Are freely transferrable;
 - (iv) May be used by token holders to purchase properties, which are being built Prime-Ex or its agents;
 - (v) May be used by the owners of the properties to acquire a maintenance contract pursuant to which Prime-Ex or its agents will be responsible for the general up keep and maintenance of the properties comprising the project;

- (vi) May be used by the token holders to pay the Revolution Loan (as defined in the White Paper) and Prime-Ex will provide a mortgage rate discount for lenders paying the Revolution Loan with PEXT;
- (vii) Does not give the holder the right to share in any profits generated by Prime-Ex; and
- (viii) Does not offer the holder thereof any form of security but instead offers the holder certain rights to and benefits in respect of the future and services offered by Prime-Ex.

4. Creation of PEXT

- 4.1. Prime-Ex has created 30,000,000 PEXT by way of the ICO.
- 4.2. It is not intended that any new PEXT will be created.

5. How to purchase PEXT

- 5.1. It shall be possible to purchase PEXT using the public exchanges that support ongoing PEXT trading. Details of the public exchanges can be found on the Prime-Ex website.

6. How to sell and trade PEXT

- 6.1. It shall be possible to sell and trade PEXT using the public exchanges that support ongoing PEXT trading. Again, details of the public exchanges can be found on the Prime-Ex website.

7. Life cycle of PEXT

- 7.1. Prime-Ex shall be able to buy and sell PEXT. On purchasing PEXT, Prime-Ex retains the right to destroy such purchased PEXT with the result that fewer PEXT shall be in circulation.
- 7.2. The number of PEXT in circulation will be updated regularly on the Prime-Ex website.

8. Limitation of Liability

- 8.1. In no event shall any of the Prime-Ex Group or its members of its staff be liable for:
 - (i) any lost profits, lost savings or incidental, indirect, special or consequential damages, arising out of your use or inability to use the services or products offered by Prime-Ex or the breach of any of these Terms by any third party;
 - (ii) any security risk such as hacker attacks, loss of password, unauthorized access, etc; or
 - (iii) any losses resulting from the extreme volatility in pricing of PEXT in any countries and cryptocurrency exchanges.
- 8.2. If an event of force majeure occurs, the party injured by the other's inability to perform may elect to suspend the agreement, in whole or part, for the duration of the force majeure circumstances. The party experiencing the force majeure circumstances shall cooperate with and assist the injured party in all reasonable ways to minimize the impact of force majeure on the injured party.
- 8.3. By acquiring PEXT and to the extent permitted by applicable law, the buyer agrees not to hold the Prime-Ex Group liable for any losses or damages arising out of or in

any way connected to the buyer's failure to properly secure the private key to the wallet containing their PEXT or hacker's attacks, loss of passwords, etc.

- 8.4. Each member will defend, indemnify, and hold harmless the Hatstone Group and the Prime Ex-Group, their affiliates and licensors, and each of their respective employees, officers, directors, and representatives (the "Indemnified Persons") from and against any claims, damages, losses, liabilities, costs, and expenses (including reasonable attorney fees) arising out of or relating to any third-party claim concerning these Terms or the members use of PEXT contrary to these Terms. If the Indemnified Persons or any of their affiliates are obligated to respond to a third-party subpoena or other compulsory legal order or process described above, the relevant members will also reimburse the Indemnified Persons (as applicable) for reasonable attorney fees, as well as the Indemnified Persons' employees' and contractors' time and materials spent responding to the third-party subpoena or other compulsory legal order or process at reasonable hourly rates.

9. Risks

- 9.1. Participation in the acquisition of PEXT carries with it significant risk. Prior to participation, you should carefully consider the non-exhaustive list of risks set forth below and, to the extent necessary, consult a lawyer, accountant, and/or tax professionals.
- 9.2. Crypto currencies and project financing through crypto currencies have been the subject of regulatory scrutiny by various regulatory bodies around the world. The Prime-Ex real estate ecosystem and the Prime-Ex Group may need to change its operations in order to comply with applicable regulation, and may become subject to licensing requirements. Prime-Ex could be impacted by one or more regulatory actions or regulatory enforcement, which could impede or limit the ability to continue to develop Prime-Ex and the Foundation's activities. This uncertainty significantly adds up to the risks connected with the acquisition and use of PEXT. The Prime-Ex Group will make every effort to adopt its practices to accommodate regulatory needs and changes as they occur.
- 9.3. The Prime-Ex software itself utilizes a third-party platform: Ethereum ERC20 blockchain. There is a risk that, as an open source project, any changes to the blockchain could introduce weaknesses or bugs into the Prime-Ex software, thus causing the loss of PEXT in one or more or even all of the member accounts. Prime-Ex S.A reserves the right to be vendor agnostic in this regard, and use other blockchain providers where feasible, practical, or necessary.
- 9.4. The field of digital cryptography is very new and for this reason there is a risk of unforeseen attacks, both in terms of the underlying cryptographic protocol that underpins the functionality of Prime-Ex, as well as 'game theory' related vectors which have not all been documented to date. Both these vectors represent a risk that could lead to the loss of PEXT in one or more or even all of the member accounts.
- 9.5. Even though there are currently online services available, which enable possibility of exchange of cryptographic tokens between themselves, and also, some of them enabling exchange of cryptographic tokens for fiat money, there are no warranties and/or guarantees given that PEXT will be subject to exchange for other cryptographic tokens and/or fiat money, and no guarantees are given whatsoever with the capacity (volume) of such potential exchange. It shall be explicitly cautioned, that such exchange, if any, might be subject to poorly-understood regulatory oversight, and Prime-Ex and/or the Foundation does not give any warranties in regard to any exchange services providers.
- 9.6. Unlike bank accounts or accounts at some other financial institutions, funds held using PEXT or the Prime-Ex network are entirely uninsured.

10. Representation & Warranties

- 10.1. By acquiring PEXT, whether from another member or by way of an exchange, you represent and warrant that you:
- (i) have a basic level of understanding of the usage and intricacies of cryptographic tokens, such as Bitcoin, and other blockchain-based software systems;
 - (ii) are at least 18 years old or the age of contractual capacity;
 - (iii) are legally permitted to use PEXT in your jurisdiction;
 - (iv) waive your right to participate in a class action lawsuit or a class-wide arbitration against any member or holder of PEXT;
 - (v) are not exchanging PEXT for any illegal purpose within your jurisdiction;
 - (vi) understand that there is no warranty whatsoever on PEXT, express or implied, to the extent permitted by law, and that PEXT are created on an “as is” basis; and
 - (vii) further agree to accept sole risk for your participation in the Prime-Ex ecosystem.
- 10.2. You must comply with all applicable tax laws, including the reporting and payment of income tax or similar arising in connection with your use of the Prime-Ex real estate ecosystem, or appreciation and depreciation of PEXT, and you bear the sole responsibility to determine such implications and act in accordance with such applicable laws.

11. Privacy Policy

- 11.1. The Prime-Ex Group shall not use, process or transfer your personal data beyond the limits permitted by statute or defined by the holder’s consent. Unless you select otherwise, the information provided to the Prime-Ex Group will not be visible to the public or other community members.
- 11.2. By purchasing PEXT you may be requested in the future by Prime-Ex to provide certain personal information about yourself (this may include, but is not limited to, your name, contact details, date of birth, personal identification number, field of activity, residency, bank account information, source of funds, scanned copy of passport or similar personal documents, and any other details that may be required to meet legal requirements) to enable us to verify your identity.
- 11.3. By using the website, you have to register with Prime-Ex as a member and provide certain information such as a valid email address.
- 11.4. If Prime Ex is required to request the information as stated at clause 11.2 above then Prime-Ex will be required to perform Know Your Customer and Anti-Money Laundering (“**AML**”) procedures. If you supply the personal information described above and any other personal data (including email and IP address), you agree that it can therefore process your information for AML purposes, and can provide your information to the relevant authorities in the countries where it operates.
- 11.5. You hereby authorize the Prime-Ex Group to, directly or through third parties, make any inquiries we consider necessary to verify your identity and/or protect against fraud, including to query identity information contained in public domains or reports, and to take any action we reasonably deem necessary based on the results of such inquiries or reports. You further authorize any and all third parties to whom such inquiries or requests may be directed to fully respond to such inquiries or requests.

12. Important notices and Disclaimers

- 12.1. Prospective members should conduct such independent investigation and analysis regarding Prime-Ex, the Prime-Ex Group and the White Paper and the financial condition, affairs and credit worthiness of Prime-Ex as they deem appropriate to evaluate the merits and risks of purchasing PEXT. Prospective members should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in these Terms, the White Paper and the Prime-Ex website and the merits and risks of purchasing PEXT in the context of their financial position and circumstances. The risks identified in these Terms are provided as general information only and Prime-Ex and the Prime-Ex Group disclaims any responsibility to advise prospective members of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter at any time in the future.
- 12.2. Whilst PEXT may be tradable on public exchanges there can be no assurance that such market will provide the holders of PEXT with liquidity of investment or will continue for the life of such PEXT. Consequently, a member must be prepared to hold such PEXT for an indefinite period of time.
- 12.3. No person has been authorised to give any information or to make any representation or warranty not contained in these Terms or any other document entered into in relation to PEXT or any information supplied by Prime-Ex or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Prime-Ex.
- 12.4. The distribution of these Terms and the White Paper and the offering, sale and delivery of PEXT in certain jurisdictions may be restricted by law and persons into whose possession these Terms and the White Paper comes are required by Prime-Ex to inform themselves about and to observe any such restrictions. Prime-Ex does not represent that these Terms or the White Paper may be lawfully distributed, or that PEXT may be lawfully offered, sold or delivered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering, sale or delivery. No action has been taken by Prime-Ex which would permit the distribution of these Terms or the White Paper or a public offering of PEXT, in any jurisdiction where action for that purpose is required. As a result, unless done so under circumstances that will result in compliance with any applicable laws and regulations, no PEXT may be offered or sold, directly or indirectly, and neither the Terms, nor the White Paper nor any advertisement or other offering material may be distributed or published in any jurisdiction.
- 12.5. Neither these Terms nor the White Paper constitutes an offer or an invitation to subscribe for or purchase any PEXT and should not be considered as a recommendation by Prime-Ex that any recipient of these Terms or the White Paper should subscribe for or purchase any PEXT. Each recipient of these Terms or any White Paper shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of Prime-Ex and PEXT.
- 12.6. PEXT have not been registered or qualified under the Securities Act of 1933 (the "Act") or the securities laws of any state, in reliance upon one or more specific exemptions from registration or qualification requirements.

13. Final Provisions

- 13.1. **Compliance:** The Prime-Ex Group shall cooperate with all law enforcement inquiries, subpoenas, or requests provided they are fully supported and documented by the law in the relevant jurisdiction.
- 13.2. **Amendments:** Prime-Ex reserves the right to change, modify, add, or remove portions of these Terms at any time by posting the amended Terms on the Prime-Ex website, as well as making a public announcement. The revised version will be

effective at the time posted unless indicated otherwise. However, Prime-Ex will provide notice of any substantial change on the Prime-Ex website.

- 13.3. **Jurisdiction:** These Terms shall be governed by and construed in accordance with the laws of the Republic of Panama and any member irrevocably submits to the exclusive jurisdiction of the Courts of the Republic of Panama as regards any matter or claim relating to these Terms.
- 13.4. **Acceptance of Terms:** By the acquisition of PEXT, the member confirms that, to the extent permitted by law, he/she is authorized to acquire PEXT and to fully understand and to be bound by these Terms regarding his/her relevant jurisdiction. If you are not a registered user, but access or use Prime-Ex services, mobile applications, electronic platforms, the website located at www.prime-ex.com or any other associated website, then you indicate that you agree to these Terms. If you do not agree to any of the specific terms or conditions herein you may not access or use any of the Prime-Ex services.
- 13.5. **Notices:** Without prejudice to clause 13.2 above, we may provide any notice to members by: (i) posting a notice on the Prime-Ex website; or (ii) sending an email to the email address then associated with their account. Notices we provide by posting on the website will be effective upon posting and notices we provide by email will be effective when we send the email. It is each member's responsibility to keep his or her email address current. A member will be deemed to have received any email sent to the email address then associated with their account when sent, whether or not actually received or read. All communications and notices to be made or given pursuant to these Terms must be in the English.
- 13.6. **Third Parties:** These Terms do not create any third-party beneficiary rights in any individual or entity.
- 13.7. **Waiver:** The failure to enforce any provision of these Terms by Prime-Ex will not constitute a present or future waiver of such provision nor limit Prime-Ex's right to enforce such provision at a later time.
- 13.8. **Severability:** If any portion of these Terms is held to be invalid or unenforceable, the remaining portions of these Terms will remain in full force and effect. Any invalid or unenforceable portions will be interpreted to affect the intent of the original portion. If such construction is not possible, the invalid or unenforceable portion will be severed from these Terms, but the rest of the Terms will remain in full force and effect.
- 13.9. **IP Ownership:** All content included on the website, including the PEXT, and associated products and services, such as, but not limited to, text, graphics, logos, images, source code, as well as the compilation thereof, and any software used on the website is the property of Prime-Ex and protected by copyright, trademark and other laws that protect intellectual property and proprietary rights. Members agree to observe and abide by all copyright and other proprietary notices, legends or other restrictions contained in any such content and will not make any changes thereto.
- 13.10. **Personal Tax:** All members' factual and potential tax obligations are their own concern and Prime-Ex nor the Foundation is not in any case and under no conditions bound to compensate for a member's tax obligation or give any advice related to tax issues, including but not limited to what kind of filing or reporting a member needs to do with the competent tax authority, which taxes and to which extent a member is obliged to pay, which tax exemptions a member may be eligible for etc.
- 13.11. **White Paper:** The White Paper is not legally binding and is provided for informational purposes only. However, by accepting these Terms members are deemed to have read the White Paper and are aware of all risks and rules provided thereto.

- 13.12. **Entire Agreement:** These Terms are the entire agreement between the members regarding the subject matter of these Terms. These Terms supersede all prior or contemporaneous representations, understandings, agreements, or communications between any members, whether written or verbal, regarding the subject matter of these Terms.
- 13.13. **Not Boilerplate:** These Terms are not boilerplate. If a prospective member disagrees with any of them, believe that any should not apply to him, or wish to negotiate these Terms, please contact the directors of Prime-Ex via e-mail and immediately navigate away from the website. Do not use the website and/or products offered thereto until you and Prime-Ex have agreed upon new terms of use.

Dated: 9 August 2018

If you have any questions, please contact Prime-Ex by e-mail at info@prime-ex.com.